GUIDANCE FOR A ONE-STOP MEMORANDUM OF UNDERSTANDING

As specified in Section 121 of the Workforce Investment Act and Part 662 of the Workforce Investment Act Regulations (Description of the One-Stop System under Title I, Subpart C - Memorandum of Understanding for the One-Stop Delivery System), each Arkansas local workforce investment board (LWIB), with the agreement of the chief elected official(s), must develop and enter into a memorandum of understanding (MOU) between the LWIB and the One-Stop partners consistent with the following requirements.

I. BASIC COMPONENTS

Each memorandum of understanding (MOU) must contain the following basic components:

- The services that will be provided through the One-Stop system
- How the costs of services and operating costs will be funded, including cost-sharing strategies and methodologies
- What methods will be used for referral of individuals between the One-Stop operator and partners
- How long the MOU will be in effect. An optional partner may withdraw from the MOU by giving written notice of intent at least 60 days in advance.
- What procedures have been developed for amending the MOU
- Other provisions as determined by the local board

1. Services to be Provided Through the One-Stop Delivery System

Services to be provided must include a detailed explanation of the core, intensive, training, and other services that will be delivered to customers of the One-Stop system, including the services delivered at the One-Stop sites (at least one comprehensive physical location in the local area) and the services that will only be accessible through the One-Stop system.

One-Stop centers are about services to the customers, so a detailed explanation of accessible services must be provided. MOUs must clearly list the services to be provided to the customers and specify which partners will deliver which services. This effort will also assist the One-Stop partners in developing a more integrated delivery strategy that includes the issuance of individual training accounts (ITAs).

All partners are expected to participate meaningfully and share proportionately in the delivery of services and costs of operating the One Stop system. This integrated delivery of services and costs must be discussed in the MOU.

This section should also identify the procedures for sharing of information, reporting, and how the One Stop system will ensure compliance with the Americans with Disabilities Act to ensure accessibility to customers with disabilities and other pertinent special populations within the local workforce investment area.

2. How the Costs of Such Services and Operating Costs of the System Will Be Funded

Describe the procedures for determining the cost of services, identifying the method to be used to allocate the cost of services and operating costs, providing a detailed description of the payment system, and identifying the cost sharing method for all partners.

This section should also include an explanation of how electronic One-Stop partners will contribute in the One-Stop operating costs. As previously mentioned, all One-Stop partners are expected to participate proportionately in the costs of the One-Stop site. The MOU should distinguish between services delivered at the One-Stop site and services delivered within the One-Stop system through the agreed upon systematic referral of services. In developing this information, it would seem beneficial to be more general than specific in this section to alleviate having to modify the MOU for minor changes. A consistent and simple cost allocation method should be an addendum to the MOU.

3. Methods for Referral of Individuals Between the One-Stop Operator and the One-Stop Partners for the Appropriate Services and Activities

The method of referral implies that there is a systematic approach to the referral of individuals needing One-Stop services. This systematic approach must be agreed on by all of the partners and thoroughly explained in the MOU so all parties—the partners, the One-Stop operator, and the LWIB—are aware of the referral system. The referral system must be more than handing customers a brochure of those One-Stop partners not located at the One-Stop site.

The referral system must always be to the advantage of the customer and include a follow-up contact to insure the customer was provided service. The MOU must describe those services located at the One-Stop site, along with those services provided at alternative locations and thoroughly explain how the referral process will connect customers to the services. Keep in mind the One-Stop principle of providing a "seamless delivery of services."

This section should also include information pertaining to the intake, enrollment, and assessment processes: Who will provide this service and how will the initial referral for services take place? Who will be the point of contact for the customer?

4. Duration of the Memorandum of Understanding and the Procedures for Amending the Memorandum During the Term of the Memorandum

While the purpose of the One-Stop MOU is not to increase the administrative burden of the LWIB or the One-Stop partners, MOUs must be in place to clarify the operational procedures of the One-Stop systems. The MOU can be used to determine that all One-Stop services are being delivered effectively and all One-Stop partners are informed and knowledgeable about the One-Stop system.

The MOU can enhance the accountability and quality of the One-Stop system by describing the service and performance expected by the partners. Other pertinent information such as time frame for withdrawal, resolution process, and signatory process should be included in this section.

5. Procedures for Amending the MOU

It would seem prudent to review the terms of the MOU a minimum of annually. However, it is conceivable that a LWIB may only amend these MOUs on an as needed basis. It is recommended that the LWIB appoint a subcommittee to oversee the One-Stop system, its partners and effective delivery of services, including the MOU process.

II. Exemplary Components

The following are essential components toward exceeding the basic requirements and initiating an exemplary and more effective MOU:

1. A Narrative Explanation of the Local Workforce Investment Board's Strategic Vision for the One-Stop Centers in the Local Area

An exemplary MOU would include a brief narrative explanation of the LWIB's vision of the One-Stop system, its partnerships and comprehensive site(s) and satellites, including what their Workforce Investment system is striving to achieve for their customers through their local partnership.

2. An Outline of the One-Stop System's Performance Requirements and Goals

The MOU is an opportunity to provide guidance and direction to the partners and customers of the One-Stop system. By including minimum levels of performance, the MOU becomes the vehicle through which partners will be able to jointly monitor its services against its stated goals and performance measures to promote continuous improvement. One of the WIA performance goals is to achieve mutually shared outcomes of those participants who receive services by multiple partners.

3. A Detailed Description of the Relationship Between the One-Stop Operator and the One-Stop Partners

The One-Stop operator and One-Stop partners must work cooperatively to achieve the One-Stop strategic vision. The relationship between the One-Stop operator and partners should be described in the MOU. The purpose is not to duplicate the local plan, but to provide clarity and promote understanding among the partners signing the MOU of their roles and responsibilities. This section should be specific regarding what service each partner brings to the One Stop site, staff commitment (investors and contributors), sharing of resources, site management, goals, and performance.

III. OTHER IMPORTANT CONSIDERATIONS FOR THE MEMORANDUM OF UNDERSTANDING FOR THE ONE-STOP DELIVERY SYSTEM

1. Other Important WIA Agreements

There are several significant agreements that are critical to the success of the local workforce investment system. These agreements may include, but are not limited to the following:

- Chief Elected Official/Local Workforce Investment Board Agreement
- Local Workforce Investment Board/One Stop Operator Agreement
- Local Workforce Investment Board/Fiscal Agent Agreement
- Local Workforce Investment Board/Youth Council Agreement

The local workforce investment board can enter into one or more MOUs. The MOU can be a blanket MOU or individual MOUs with each One-Stop partner as deemed necessary by the local board.

2. Agreement of the Chief Elected Official(s)

The Workforce Investment Act prescribes in several places that agreement of the chief elected official(s) (CEOs) must be secured. The process of garnering agreement from the CEOs is interpreted and acted upon in several ways. In some local areas, it may require the signature of the CEOs, and in others it may require only that the CEOs sign-off that they have seen and agree with the action. Although this method may involve additional time, the final agreement and informational exchange are beneficial to keeping the CEOs informed and involved in the local workforce investment system.

3. Partners vs. Services

There are three basic approaches or styles in developing the memorandum of understanding for the One-Stop delivery system:

- The MOU that focuses on the One-Stop "customer" and ensuring the services are available to meet participating partners' various customer groups
- The MOU that focuses on the One-Stop "services" delivered through the system by the various One-Stop partners
- The MOU that focuses on the One-Stop "partners" providing the services delivered through the system.

All approaches or styles can be effective. For some local areas, focusing the partners around the "services" -- core, intensive and training -- is less threatening and more productive. But the same could be true of focusing on which "partners" will deliver the agreed upon services. Of course, any successful One-Stop system must focus on its customers -- identifying and exceeding their needs. In either case, the MOU must clearly identify the services delivered and what each partner must contribute to the One-Stop system. This particular section could be part of the basic MOU, but it is definitely necessary in an exemplary MOU.

4. Allocation of Costs

The issue of allocation of costs is critical to the success of the One-Stop system, especially as it relates to the comprehensive One-Stop site. Therefore, the following guidance is included on the "Allocation of Costs."

Allocation of Costs: General Principles

The Act and regulations give authority to the LWIBs to negotiate MOUs with the partners, establishing how services will be delivered and costs will be paid. Having the authority to negotiate these terms provides some latitude for discretion in determining how to share costs, as long as the basis (method) used for cost sharing is compatible with the governing provisions in WIA, other partners' legislation, and the OMB Circulars listed below:

- OMB Circular A-87 Cost Principles for State, Local and Indian Tribal Governments
- OMB Circular A-122 Cost Principles for Nonprofit Organizations
- OMB Circular A-102 Grants and Cooperative Agreements with State and Local Governments
- OMB Circular A-110 Uniform Administrative Requirements for Grants and Order Agreements with Institutions of Higher Education, Hospitals and Other Nonprofit Organizations
- OMB Circular A-133 Audits of States, Local Governments and Nonprofit Organizations

The WIA and its implementing regulations establish, as a starting point, the expectation that partners will share proportionately in the costs of the One-Stop system. This means that each partner will contribute services and/or pay for costs comparable in amount to the value of benefits received in return. Some exceptions to this general principle are discussed below.

A partner can only pay for costs that are both allowable and allocable to that partner's fund source. Allowable costs are defined in each partner's enabling legislation and regulations, as well as in the OMB circulars. The allocation of costs is governed by the OMB circulars, which generally prescribe that costs are allocable to a fund source or cost objective to the extent of benefits received. The MOU should identify an appropriate basis or method for allocating costs. There are several bases to choose from, and the choice will vary depending on the type of costs involved, how efficient the base is to use, the availability of documentation to support the allocation, and other factors.

What services and costs will be shared?

The methods used to allocate costs should match the types of services and costs that will be shared in the One-Stop center. For example, if the partners are only sharing space, the method used to determine relative benefits received or "fair share" can be as simple as using square footage as the basis for allocation. On the other hand, if the partners are providing joint services through a seamless service delivery system, then the question becomes more complex. While there is no best or definitive answer to the question of which basis to use, the following guidelines should help in making this decision at the local level.

When is proportionate cost sharing not necessary?

As noted above, there are exceptions to the general principle requiring that costs be shared proportionately among the partners. When such an exception does exist for one or more partners in the One-Stop center, the LWIB is not bound by rules on cost allocation for that partner's funds and has more discretion in negotiating the provision and cost of services. These exceptions include the following:

- *Unrestricted Funds*: May be used to pay for any negotiated portion of the costs, since there are no restrictions on the type or amount of costs these funds may pay for. Examples of unrestricted funds may include local general revenue funds, not-for-profit organizations' unrestricted fund accounts, and funds of for-profit organizations.

- *Partially Restricted Funds*: May be used to provide allowable services to the general population. Usually, the types of allowable services are restricted, but who is eligible to receive the services is not restricted. Examples of partially restricted funds include the Wagner-Peyser program, which provides labor exchange services to all employers and job seekers, and restricted corporate funds, which may partially limit the services to be provided or the eligibility for those services.

- *Costs Fully Allowable to More Than One Fund Source*: May be paid, per the OMB Circulars, in part or in whole by one of the affected fund sources without regard to the rules on cost allocation. For example, if a service is allowable under WIA as well under the Welfare-to-Work (WTW) program, and that service is provided to a person or employer who is eligible to receive services under either fund source, the cost of that service may be paid in full by WIA, or in full by WTW, or in any other portions negotiated between the two fund sources.

- *Immaterial Costs*: Represent those costs which are so minor in amount that they do not need to be allocated.

How to Support the Fairness of Cost Negotiation

When the exceptions to the rules on cost allocation do not apply, then the LWIB should negotiate each partner's share of the costs in a way that promotes the principle of proportionate cost sharing. To accomplish this, the LWIB should be able to support the fairness of the negotiated amounts by using an appropriate cost allocation method or base. There are several bases for allocation to choose from, and the best base is one that allocates costs equitably to the partners. Some examples of appropriate bases are contained in materials prepared by the Office of Cost Negotiation and in the Employment and Training Administration's cost allocation TAG entitled "Sharing Resources to Provide Integrated Services."

IV. CHARACTERISTICS OF AN EFFECTIVE MOU

There are common characteristics attributable to most successful and effective MOUs. The consensus of the workgroup was that while locals have the flexibility to develop MOUs to meet the needs of their customers and partners, most effective MOUs contained several of the following common characteristics:

- Relatively short in length
- Keep it simple - easily understood by all parties
- Clear and concise language (minimize legal language)
- Legible/Readable
- Use of Charts/Matrix reduces narrative and effectively illustrates pertinent information
- Definitions are optional, but insure all parties understand WIA terminology

Expanded guidance is available at the following Web site:

http://www.reg03.doleta.gov/fm1/hotmou.htm

Sample
One-Stop Memorandum of Understanding

NOTE: THIS MOU FRAMEWORK WAS DEVELOPED TO ILLUSTRATE THE VARIOUS COMPONENTS OF AN MOU. LOCAL BOARDS AMY ADD, DELETE AND/OR MODIFY THESE COMPONENTS TO MEET THEIR SPECIFIC NEEDS.

Introduction

This Memorandum of Understanding (MOU) is entered into in accordance with the Workforce Investment Act 1998 (WIA). This agreement is an agreement among the signature agencies and organizations describing how their resources will be utilized to better serve mutual customers in a One-Stop Career Center as part of the Arkansas Career Development Network. It is understood that the center will be a collaborative work based on trust and teamwork between agencies working together as partners to accomplish a shared goal of improving the quality of life for individuals through employment, training, education which aid economic development to better serve the present and future needs of employers in this area. This will be accomplished through comprehensive and/or satellite Career Development Network centers and the centers' satellite and electronic sites.

Vision Statement

The purpose of the Career Development Network Center is to advance the economic well being of the area by developing and maintaining a quality workforce, from which employers and individuals will participate in life long learning processes. This can be achieved through the co-location and integration of employment, training, education and economic development services for job seekers, workers and employers.

Management and Structure

Parties to this agreement will work as partners to provide quality service. Each center will maintain responsibility for management of respective staff and equipment.

Responsibilities

Partners will retain responsibilities for reporting and monitoring of their respective programs. In addition, any tracking request by the career development center will be done as required by the law.

Duration

For optional partners, this MOU shall remain in effect until terminated by the party (partner) by giving written notice of intent to withdraw at least 60 calendar days in advance of the effective withdrawal date. Notice shall be provided to all parties.

Confidentiality

All parties agree to honor the attached information release form. Exchanged information shall remain private and confidential in accordance with the most restrictive confidentiality requirements of any of the parties collecting, receiving or sharing information.

Cost Allocation Plan

The local cost allocation plan should be equitable among the partners and must be in accordance with the applicable OMB Circulars and other state or federally issued guidelines. The following definitions of types of space are offered to provide consistency in this process. In developing cost allocation plans, it is important for all local partners to come together to make decisions which are not only equitable and fair, but which are of good faith to provide the best service for Arkansas customers.

Common Space - Space which is available for use by all partners such as conference rooms, break room, reception area, storage room, bathrooms, resource rooms and hallways; as well defined in the state, federal, and applicable OMB Circulars guidelines used for cost allocation.

Dedicated Space - Space that is dedicated for use by one but not all partners.

Shared Dedicated Space – Space that is dedicated room for use by more than one partner, but not all partners.

The following are the services that will be delivered through the Career Development Network, along with those agencies responsible for delivering those services and the various funding resources that each will bring to the operation:

Services	Agencies	Revenue Sources
Intake	Job Service, JTPA, Welfare Housing Authority, Probation Office	Wagner-Peyser, JTPA, TANF, HUD, Justice
Assessment	JTPA, Vo-tech	JTPA, Perkins
Employment Counseling	Job Service, JTPA, Veterans, Older Workers	Veterans, JTPA Wagner- Peyser Title V
Job Search		
Training		
Child Care		
Transportation		
Income Support		

Note: A matrix on the Services being delivered should provide as much detailed information as possible. More details can be included regarding funding arrangements between the various partnering agencies. It is likely that some of this information will be contained in the local plan.

Shared Funding of Services

It is agreed that the following program services and activities will be mutually funded by the One-Stop partnering agencies from the revenue sources identified below:

Services	Revenue Sources/ Partnering Agency	Service Description	Shared Costs	Agencies Sharing Costs
Core Services				
Intensive Services				
Training Services				

Note: The shared funding section of the MOU should provide detailed information on the types of costs being shared, who will share the costs, and how these costs will be shared. It is likely that some of this information will be contained in the local plan.

Systematic Referral Process for Career Center Customers

It is agreed that the One-Stop Delivery System partners of this signed MOU will conduct referral for services in the following manner. Common intake will be used to determine the customers' needs. This will allow staff to make the appropriate referral. All customers referred for services will receive the following services:

- Customers will receive a written referral form with the date, time, and place of the appointment.
- The maximum amount of time to schedule a customer appointment should not exceed three working days.
- The individual making the appointment will be responsible for follow-up.

Career Development Network Performance Criteria

It is agreed that the CDN System will strive to achieve the following standard of quality service for its customers, employees and partners.

All partner agencies can expect:

- To be listed as a source for applicable referrals for services rendered to customers
- To work in a safe and professional environment
- To receive fair compensation (reportable numbers) for numbers provided through the partnership

All job seekers or those seeking employment enhancement can expect:

- Prompt and courteous service from the staff
- The service(s) designed to assist customers in achieving their educational and/or job placement goals, ***including information about available job training.***
- Access to job listings, which includes job description, salary, location, and required experience/education
- Unbiased and/or non-discriminatory pre-screening practices
- Courteous service from staff representatives

Employers customers can expect:

- Ability to post their job openings either openly for access by any job seeker or in a masked format so that potential applicants are screened
- Courteous service from staff representatives
- Access to job applicants, either screened by the ACDN center or self-referred

All employees can expect:

- To work in a safe and professional environment
- To receive the best tools to achieve the desired outcomes for their customers
- To be fairly compensated for their services

All partners will:

- Deliver high quality services through the Career Development Network Centers
- Place a minimum of 50% of their customers in jobs with family sustaining wages
- Customers will be placed in jobs for a minimum of 180 days [Sec.136(b)(2)(A)]

Note: The above can be modified when performance standards are negotiated.

Governance of the One-Stop Delivery System

The ultimate accountability and responsibility for the Career Development Network center's organizational processes, services, and accomplishments will rest with the Chief Elected Officials and LWIB.

The Chief Elected Officials' responsibilities will be to:

The LWIB's responsibilities will be to:

The One-Stop Operators' responsibilities, in accordance with their negotiated contract with the LWIB, will be to:

Nondiscrimination and Equal Opportunity Provisions

1. The parties to this agreement and respective staff assure that applicants, claimants and participants of One-Stop programs shall not be discriminated against on the basis of race, color, religion, sex, national origin, age, disability, political affiliation or belief and, if receiving WIA program benefits, citizenship/status as a lawfully admitted immigrant authorized to work in the United States or participation in any WIA Title I financially-assisted program or activity (Section 188 of WIA and 29 CFR Part 37.20 – identifies civil rights laws).
2. Parties to this agreement will agree on a single One-Stop Equal Opportunity Officer who will process local complaints of discrimination and attempt to address same as prescribed by 29CFR Part 37, "Implementation of the Nondiscrimination and Equal Opportunity Provisions of WIA."
3. The parties to this agreement will abide by 29 CFR Part; Section 188 of WIA, and implementing directive issued by the State.

Duration and Modification of the MOU

The One-Stop partners agree that the terms of this MOU will take effect as of ____________, and will continue in effect until _____________ or such time as any partner or partners will modify, extend, or terminate this MOU. Termination of the MOU will be effective in either of two situations:

- All partners agree in writing to its termination; or
- The partner may terminate its part of the MOU, but the MOU will continue with the rest of the partners.

Any partner to the MOU may request modification of its terms. Ratification of the request by all the other partners will constitute the modification in question.

Any optional partner to this MOU may request withdrawal, giving written notice of its intent and reasons for withdrawing as a partner. In such case, all pertinent terms of the MOU will continue in effect for the remaining partners. Any party may cancel the contract or agreement at any time for cause, or may cancel without cause on a 60-day written notice.

Partners' Signatures

The MOU should conclude with a signature page for all One-Stop partners to sign to confirm their acceptance of its terms by their signature.

Chief Elected Officials____
Contact Person____
Address____
Telephone and E-Mail____
Fax Number____
Signature____Date____________

Name of Local Workforce Board
Contact Person____
Address____
Telephone and E-Mail____
Fax Number____
Signature____Date____________

One Stop Partner____
Contact Person ____
Address ____
Telephone and E-Mail____
Fax Number____
Signature____Date____________

One Stop Partner____
Contact Person ____
Address ____
Telephone and E-Mail____
Fax Number____
Signature____Date____________

One Stop Partner____
Contact Person ____
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Fax Number____
Signature____Date____________

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Allocation of Costs

General Principles

- The Act and regulations give authority to the LWIBs to negotiate MOUs with the partners, establishing how services will be delivered and costs will be paid. Having the authority to negotiate these terms provides some latitude for discretion in determining how to share costs, as long as the basis (method) used for cost sharing is compatible with the governing provisions in WIA, other partners' legislation, and the OMB Circulars[1].

- The WIA and its implementing regulations establish, as a starting point, the expectation that partners will share proportionately in the costs of the one-stop system. This means that each partner will contribute services and/or pay for costs comparable in amount to the value of benefits received in return. Some exceptions to this general principle are discussed below.

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[1] OMB Circular A-87 Cost Principles for State, Local and Indian Tribal Governments.
OMB Circular A-122 Cost Principles for Nonprofit Organizations.
OMB Circular A-102 Grants and Cooperative Agreements with State and Local Governments.
OMB Circular A-110 Uniform Administrative Requirements for Grants and Order Agreements with Institutions of Higher Education, Hospitals and Other Nonprofit Organizations.
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- Unrestricted Funds: may be used to pay for any negotiated portion of the costs, since there are no restrictions on the type or amount of costs these funds may pay for. Examples of unrestricted funds may include local general revenue funds; not-for-profit organizations' unrestricted fund accounts, and funds of for-profit organizations.

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- Costs Fully Allowable to More Than One Fund Source: may be paid, per the OMB Circulars, in part or in whole by one of the affected fund sources without regard to the rules on cost allocation. For example, if a service is allowable under WIA as well under the Welfare-to-Work (WTW) program, and that service is provided to a person or employer who is eligible to receive services under either fund source, the cost of that service may be paid in full by WIA, or in full by WTW, or in any other portions negotiated between the two fund sources.

- Immaterial Costs: represent those costs which are so minor in amount that they do not need to be allocated.

How to Support the Fairness of Cost Negotiation

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